



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
REAL PROPERTY FACILITIES AND LOGISTICS
OFFICE

MAR 24 2006

MEMORANDUM FOR: Chief Financial Officers
Management and Budget Chiefs

FROM: Stella S. Fiotes *Stella S. Fiotes*
Director, Real Property, Facilities and Logistics Office

SUBJECT: Line Office Real Property Reporting Responsibilities

The Department of Commerce (DOC) National Oceanic and Atmospheric Administration (NOAA) continues to receive an unqualified audit opinion on its annual financial statements. However the Real Property Management Division did receive a Notification of Finding and Recommendation from KPMG, the independent auditor of the FY 2005 Financial Statements, regarding the acquisition of real property not reported in a timely manner to the Real Property Office. This caused the accounting records to be misstated.

The purpose of this memo is to reiterate guidance on Improvements, Acquisitions and Disposals of Real Property in order to avoid future findings. Adherence to this guidance will ensure that a reportable condition does not reoccur. In this specific case, a line office entered into a Memorandum of Understanding (MOU) with another agency to construct a facility. The facility was completed and transferred from the other agency to NOAA in 2003, but the paperwork was not received and entered into the Federal Real Property Management system until 2005. Not only was this an unacceptable time lag resulting in a finding, but proper procedures were not followed in preparation of the MOU. Any time a MOU involves Real Property, a Use Permit must also be negotiated by a Real Property Contracting Officer.

Please remind your respective administrative staff and managers of their responsibility to follow established policies and procedures when property is transferred, donated, or acquired in any manner. The respective Regional Real Property Chief must be notified of any acquisitions or deletions, or the expectation of an acquisition or deletion. The following Improvements, Acquisitions and Disposals must be transacted through Real Property Management:

1. Real Property acquired through Donation, Devise or Judicial Process (excluding forfeiture of land);
2. Real Property proposed for occupancy pursuant to a Memorandum of Understanding;
3. Transfer of Real Property to NOAA from another Federal Entity; and
4. Disposal of Assets.

Please share this memorandum with your managers and staffs in the field. If you or your staff has questions concerning the responsibilities outlined above, they should contact Andrew Duran, Director, Real Property Management Division Headquarters at 301-713-0937.

cc: Andrew Duran

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